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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 11, 2012

CERTIFIED RETURN RECEIPT

7011 0110 0001 3568 3742

Jim Runquist
TME Asphalt Ridge LLC
4526 Ridgeview Drive
Eagan, Minnesota 55123

Subject: Surety Adjustments; TME Asphalt Ridge; Cameron #1 Project, S/047/0036; and TME AR Lecy Mine, S/047/0088; Uintah County, Utah

Dear Mr. Runquist:

The reclamation sureties for the referenced mine sites need to be adjusted. Based on average costs per acre as approved by the Board of Oil, Gas and Mining, the amounts need to be increased to either \$27,100.00 (three-year escalation) or \$27,700.00 (five year escalation) for each mine. These amounts are based on figures in the following table:

Small Mine Operation Bond Calculation Worksheet			
3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	4	\$4,800.00	\$19,200.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
TOTAL			\$27,100.00
5-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	4	\$4,900.00	\$19,600.00
Add'l equipment mob (over 5 acres)		\$3,000.00	\$0.00
TOTAL			\$27,700.00

Page 2 of 2
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S/047/0036 and S/047/0088
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The sureties for both of these mines are in the form of letters of credit with Associated Bank. The increase may be made by amending the current letters or credit or by submitting cash, surety bonds, or certificates of deposit for either the total amount required or for the increases. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for further information about submitting the bonds.

Please provide the increased reclamation sureties no later than October 15, 2012. Failure to do so is likely to result in issuance of cessation orders and associated fines.

The Division is taking this action as a temporary measure to ensure these sites are properly bonded until they are incorporated into the Notice of Intention to Commence Large Mining Operations for the TME Asphalt Ridge LLC #1 mine (M/047/0089). The Division is not rescinding its requirement that these three permits be consolidated but is not taking enforcement action on this issue **at this time**.

Please call me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have questions about these requirements.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB:pb

cc: lennieboteilho@amesco.com

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